

AQO

MEMORANDUM FOR RECORD

SUBJECT: AQO Staff Meeting Minutes, Aug 12, 1997

PRODUCT & MANUFACTURING ASSURANCE TEAM (AQOG).

o On 6 August 1997, Georgeanna M. Adams attended a Total Ownership Cost (TOC) Executive Group Meeting (previously named: Defense Sustainment Senior Steering Group). The TOC Executive group is chartered under the Defense Systems Affordability Council (DASC). The TOC Executive group consists of flag level representatives from the Service Acquisition and Logistics communities. The TOC Executive group's charter is to guide the development and implementation of an integrated DoD strategy to enable DoD and its Components to understand and manage in order to reduce the TOC of systems and promote the integration of the acquisition and logistics communities. DCMC is a member of the plenary group which provides information to the DASC Executive Committee (note: as of this meeting, General Babbitt was not a member of the Executive Committee).

o 6 August 1997, Maurice Poulin attended the DoD Product Quality Working Group meeting hosted by HQ DLA MMLEQ, Logistics Engineering & Technical Programs. The membership includes HQ AMC, NAVSEA, NAVSUP, HQ AFMC. The agenda included a discussion of the following subjects: Product Verification Program (PVP), DoD Source Acceptance Process Action Team and ISO 9000 Implementation at contracting activities.

PVP - HQ DLA MMLE and NAVSUP generally discussed the Memorandum of Agreement between the two parties that establishes a one year test program for DLA Product Verification Program managers to select NAVSUP inventory parts for post acceptance testing. NAVSUP, Mr. Tom Wekluk, encouraged other services to join in the effort to create a central testing program for all parts. HQ DLA MMLE is planning road shows at Air Force Logistic Centers to explain the concept.

DoD Source Acceptance - Mr. Rice, HQ DLA MMLEQ, member of the process action team, highlighted the DoD Management Reform Memorandum # 10, Redesigning Department of Defense Source Acceptance Policies and Procedures. The Services will be tasked shortly to begin the review of National Stock Numbers to ensure items are not "over coded" for source acceptance. The process action team is also pursuing a Federal Acquisition Regulation change to disassociate a higher level quality requirement with source acceptance and is studying the connection between overseas shipments and source acceptance. Other alternatives to source acceptance are under study: Product Verification Program solicitation clauses; increase the use of Qualified Manufacturers List (QML), Qualified Products List (QPL) and Qualified Suppliers List (QSL); Prime Vendor Program; and DCMC reducing engagement by Oversight, Risk Assessment Models and Management Councils. Mr. Poulin suggested the Service representatives examine the use of the Certificate of Conformance clause, FAR 52.246-15, within the respective buying activities.

ISO 9000 Implementation - Mr. Rice, HQ DLA MMLEQ, discussed a draft DLA procurement letter needed by DLA Supply Centers to adopt a uniform policy in determining higher level quality requirements in solicitations. Currently, DLA Supply Centers are using a mixture of MIL-I-45208A and/or ISO 9002. The Service representatives acknowledged the lack of uniformity in their respective buying activities. For example, Air Logistic Centers and NAVSEA continue to use MIL-I-45208A. However, NAVSEA is developing an ISO 9002 tailoring document guide for spare and repair part procurements; Army activities are using ISO 9001, 9002, or ISO 9003, as appropriate. Mr. Poulin advised the working group DCMC will evaluate the higher level quality requirement in the contract. I shared with the group three contract examples of one issue that is problematic for DCMC. The statement "ISO 9000 acceptable" is not the selection of a higher level contract quality requirement.

o LTC Vondra (Acquisition Reform Office) requested that DCMC provide the latest status of our CAS PAT actions. OSD's latest documented status is May 1995. The green/yellow status that COL (Ret) Blair

Peterson briefed on the CAS PAT isn't in enough detail. LTC Vondra needs to provide the latest information to Dr. Jacques S. Gansler (Dr. Kaminski's proposed replacement as Under Secretary of Defense (Acquisition & Technology). Georgeanna M. Adams will be contacting each CAS PAT POC for the latest status of their actions.

o Mr. Don Hatchett, DCMC San Diego, Mid-level Development Program participant, is working his Headquarters assignment with AQOG from 11-22 August 1997. He's working performance metrics and others assignments with Richard Horne.

BUSINESS PRACTICES & CONTRACT PAYMENT TEAM (AQOC).

o DCMC entered into a Proof of Principle test with DFAS Columbus to test the process of CAOs inputting PCO issued contracts and modifications into MOCAS. The results at the 13 CAOs participating were favorable. They indicated DCMC could input PCO documents accurately, however, additional resources would be necessary to accept the new workload on a permanent basis throughout DCMC. Agreement could not be reached on how many resources would be transferred from DFAS to DCMC because DFAS is projecting a sharp decrease in FTEs due to the deployment of electronic initiatives. The DoD Comptroller approved a recommendation to return responsibility for all PCO input back to DFAS Columbus effective August 25, 1997. The Proof of Principle CAOs are responsible for PCO documents on hand and received prior to August 25, 1997. This decision impacts only PCO issued contractual documents. DCMC will retain the input function for ACO issued delivery orders and modifications as well as Other Disbursing Office contracts.

(AQOC POC B. Hogan, 703-767-3443)

APPROVED:

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